



**The Repeal Task Force**  
**Rep. Cynthia Lummis, Task Force Chair**

**Repeal the Economic Development Administration**

On February 28, 2013, Representative Mike Pompeo (R-KS) introduced **H.R. 887**, legislation to **eliminate the Economic Development Administration**. Similar to earmarks, the Administration uses the EDA to advance particular local projects, essentially picking winners and losers by region, industry and community.

In 1965, the **Economic Development Administration (EDA)** was established within the Department of Commerce as part of President Lyndon Johnson's Great Society. Since 2005, the EDA has spent \$1.2 billion on grants. The EDA provides grants and investments for thousands of local projects, many of which are in the private sector. Eliminating the EDA was listed by the bipartisan **Simpson-Bowles Deficit Reduction Commission** as part of a plan to save \$200 billion. In 2008, **then-Senator Obama** listed the EDA as "little more than a fund for corporate welfare."

Examples of EDA projects include:

- **\$2,000,000** to begin construction of the UNLV Harry Reid Research and Technology Park in Las Vegas, NV (2008)
- **\$25,000,000** for Global Climate Mitigation Incentive Fund (2010)
- **\$2,000,000** for "culinary amphitheater," wine tasting room, and gift shop in Washington State (2011)
- **\$350,000** to renovate a theater in Colorado (2010)

The EDA is:

- **Not the Role of the Federal Government**: "The federal government has no business in trying to direct economic activity through politicized subsidy vehicles like the EDA." -- Tad DeHaven, CATO Institute.
- **Duplicative**: Despite multiple state, local, and private sector sources of funding for economic development projects, more than 80 federal economic development programs spent \$2.9 billion in 2010.
- **Ineffective**: The EDA typically provides small amounts of funding that hold little or no material value to the actual project. GAO reports have stated EDA grants "**did not have significant effect**" on the success of projects, produced "**inconclusive**" results, and "**may even detract**" from a more flexible workforce.

- **Wasteful:** An EDA Inspector General study showed 29% of grant money had been wasted due to “various violations of EDA grant requirements such as financial accounting irregularities, conflict of interest, and improper procurement procedures.”

**Club for Growth, Americans for Prosperity, and Citizens Against Government Waste support this legislation.**

For more information or to cosponsor, please contact Jim Richardson in Rep. Pompeo’s office at [jim.richardson@mail.house.gov](mailto:jim.richardson@mail.house.gov) or 5-6216.

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